

EXHIBIT 1
DigitalOcean's 2022 10-K/A

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K/A

(Amendment No. 1)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022
or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 001-40252

DigitalOcean Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware **45-5207470**
(**State or other jurisdiction of incorporation or organization**) (**I.R.S. Employer Identification No.**)

101 6th Avenue, New York, New York 10013
(**Address of principal executive offices**) (**Zip Code**)

Registrant's telephone number, including area code: (646) 827-4366

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.000025 per share	DOCN	The New York Stock Exchange

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

<input checked="" type="checkbox"/> Large accelerated filer	<input type="checkbox"/> Accelerated filer	<input type="checkbox"/>
<input type="checkbox"/> Non-accelerated filer	<input type="checkbox"/> Smaller reporting company	<input type="checkbox"/>
	<input type="checkbox"/> Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes No

The aggregate market value of the registrant's common stock held by non-affiliates, based on the closing price of the registrant's common stock on the New York Stock Exchange on June 30, 2022 (the last business day of the registrant's second fiscal quarter), was approximately \$2.91 billion.

As of February 9, 2023, the registrant had 96,956,164 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's Proxy Statement for its 2023 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent stated herein. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant's fiscal year ended December 31, 2022.

EXPLANATORY NOTE

DigitalOcean Holdings, Inc. (the “Company”) is filing this Annual Report on Form 10-K/A, Amendment No. 1 (the “Amended Report”) to amend its Annual Report on Form 10-K for the year ended December 31, 2022 originally filed with the Securities and Exchange Commission (“SEC”) on February 22, 2023 (the “Original Report”) to make certain changes, as described below.

In preparing the Company’s consolidated financial statements for the three and six months ended June 30, 2023, the Company identified errors primarily related to the Company’s accounting for income tax expense, of which \$3.5 million results in the understatement of its reported loss for the year ended December 31, 2022. The Company assessed the materiality of the errors both quantitatively and qualitatively and determined these errors to be immaterial to the 2022 consolidated financial statements. However, the Company concluded that the effect of correcting the errors in 2023 (in aggregation with other 2023 errors) would materially misstate the Company’s unaudited consolidated financial statements for the three months ended March 31, 2023 and, accordingly, determined that it was necessary to revise the consolidated financial statements it previously issued with respect to the year ended December 31, 2022. The remainder of the notes to the Company’s consolidated financial statements have been updated and revised, as applicable, to reflect the impacts of the adjustments described in Note 2, Summary of Significant Accounting Policies.

As a result of the errors described above and the related restatement, the Company has identified a material weakness in its internal control over financial reporting (“ICFR”), as described in more detail in Part II — Item 9A. Controls and Procedures. The Company’s management concluded that the Company’s disclosure controls and procedures (“DCP”) and ICFR were not effective as of December 31, 2022.

The Company is filing this Amended Report to restate management’s assessment of the Company’s ICFR and its DCP to indicate that they were not effective as of December 31, 2022 because of the identification of this material weakness in its ICFR. The Company’s independent registered public accounting firm for the year ended December 31, 2022, Ernst & Young LLP, has also restated their opinion on the Company’s ICFR. A discussion of the Company’s plans to remediate this material weakness is set forth in Part II — Item 9A. Controls and Procedures.

This Amended Report also reflects the correction of certain immaterial errors in our previously issued consolidated financial statements as of and for the year ended December 31, 2022 included in this filing as an immaterial revision of the previously reported financial statements and related notes thereto. For a more detailed description of this revision, refer to the section entitled Note 2. Summary of Significant Accounting Policies.

This Amended Report amends and restates the following items of the Original Report as of and for the year ended December 31, 2022:

- Special Note Regarding Forward-Looking Statements
- Part I — Item 1A. Risk Factors
- Part II — Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations
- Part II — Item 8. Financial Statements and Supplementary Data
- Part II — Item 9A. Controls and Procedures
- Part IV — Item 15. Exhibits, Financial Statement Schedules

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Amended Report includes new certifications specified in Rule 13a-14 under the Exchange Act, from the Company’s Chief Executive Officer and Chief Financial Officer dated as of the date of filing of this Amended Report.

Pursuant to Rule 12b-15 under the Exchange Act, this Amended Report contains only the items and exhibits to the Original Report that are being amended and restated, and unaffected items and exhibits are not included herein. Except as noted herein, the information included in the Original Report remains unchanged. This Amended Report continues to describe the conditions as of the date of the Original Report and, except as contained herein, we have not updated or modified the disclosures contained in the Original Report to reflect any events that have occurred after the Original Report. Accordingly, forward-looking statements included in this Amended Report may represent management’s views as of the Original Report and should not be assumed to be accurate as of any date thereafter. This Amended Report should be read in conjunction with the Company’s filings made with the SEC subsequent to the filing of the Original Report, including any amendment to those filings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DigitalOcean Holdings, Inc.

Date: August 11, 2023

By: /s/ Yancey Spruill
Yancey Spruill
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Yancey Spruill, certify that:

1. I have reviewed this Annual Report on Form 10-K/A of DigitalOcean Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2023

By: /s/ Yancey Spruill
 Name: Yancey Spruill
 Title: Chief Executive Officer